FOIAb3b

ROCKY MOUNT, NC TELEGRAM

e. 15,1/77

s. 15,240

front Edit / Other Page Page Page

Date: MA

MAR 18 1964

THE SECRET DEFENSE FUNDS

CPYRGHT

President Johnson's announcement some time ago that a costly new military aircraft, the 2,000-mile-an-hour A-II had been developed secretly, has been cause for some serious thought on Capitol Hill. Members of Congress are wondering about the use of Central Intelligence Agency funds for the development of this plane.

A result of the disclosure has been complaints from Congress that defense and space officials may be secretly spending millions of tax dollars without knowledge of Congress and taxpayers. The disclosure by Johnson of the development of the A-11 came as a shock to quite a few legislators.

Normally, Congress appropriates all funds used by the government, and with the exception of the CIA Congress is supposed to know where every dime goes. The CIA by its very nature must be protected from public disclosure of how its funds are spent, because by doing so the enemy could deduce a great deal about the CIA's activities. Thus, only a handful of key members of Congress know what moncy goes to the CIA and how it is used.

Development of aircraft for the defense establishment normally is paid for by funds appropriated to the Defense Department. The circuitous route chosen by the administration in funneling dollars for the

A-II through the CIA has caused much resentment in Congress. They want to know why, and they also want to know whether any other funds allotted to the CIA are being used in an unusual manner.

Sen. Gordon Allott, a member of the Senate Appropriations Committee, said although he followed all available details closely for over four years, "not one word was said" about the speedy new aircraft until the President removed the secrecy wraps.

The development of the A-11 perhaps cost \$50 or \$100 million or maybe more and as Allott points out, this raises questions on how defense officials could hide this much money in their budget from sendators who are required to approve such spending.

Another question he raises: four memmers of the 27-member appropriations committee knew of the A-11 project, but how can the rest of the committee be led to act upon a budget which hides so much money? The development of the A-11 came during the same period Secretary of Defense McNamara and Congress were sharply split over the development of the huge B-70 bomber for the Air Force.

If Senate and House members had known of the A-11 aircraft project, the results of the E-70 dispute might have been different.

Sanitized - Approved For Release: CIA-RDP75-00149R000100090012-2